GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5888
ANSWERED ON:31.08.2001
INCOME TAX ON SALARIES OF MLA
VIRENDRA KUMAR

Will the Minister of FINANCE be pleased to state:

(a) whether Income-tax is imposed on the salary and allowances drawn by the Members of Legislative Assemblies;

(b) if so, the norms prescribed therefor;

(c) whether the Government propose to grant exemption to MLAs as it is being granted to the Member of Parliament; and

(d) if so, the steps taken in that regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) and (b): Salary of Members of Legislative Assemblies is not exempt from the income-tax. However, Daily Allowance received by a Member of any State Legislature or Committee thereof is exempt under the provisions of Sec. 10(17A)
(i) of the Income-tax Act, 1961. All other allowances upto rupees two thousand per month in aggregate received by a Member of any State Legislature or Committee thereof is exempt under the provisions of Sec. 10(17)
(ii), as per Notification No. 11458 dated 7th August, 2000, w.e.f. 01.04.98.

(c)There is no proposal under consideration to grant exemption to MLAs.

(d) Nil in view of (c) above.